

The Florida House of Representatives

Office of the Speaker

Dean Cannon Speaker

January 13, 2011

The Honorable Dorothy L. Hukill Chair, Economic Affairs Committee Florida House of Representatives 204 House Office Building 402 South Monroe Street Tallahassee, Florida 32399-1300

Dear Chair Hukill:

As you know, in the months that followed the tragic Deepwater Horizon Incident last spring, the Florida House of Representatives established workgroups charged with monitoring the ongoing impact of the oil spill on families, businesses and communities along Florida's Gulf Coast.

From the onset of the spill, the structure and efficiency of the BP claims process has been an item of particular concern. Following a significant number of complaints, the White House and BP agreed to set up an independent process for private claims, and Mr. Kenneth Feinberg was selected to administer the process through the Gulf Coast Claims Facility (GCCF). Payments made by the GCCF would come from an escrow account created by BP, to which BP agreed to contribute \$20 billion over the next four years. The GCCF opened on August 23, 2010.

During the summer months, the House observed the private claims process and made several findings and recommendations. When the workgroup tasked with reviewing the scope of private sector damages and processes for compensation concluded its review at the end of August, the GCCF had just been established, and the claims process and protocols were not yet fully implemented. As such, the workgroup recommended that the House continue to monitor the private sector damages and compensation process.

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As of January 10, 2011, the Gulf Coast Claims Facility reports 157,297 claimants in its system. The facility has paid almost \$1.2 billion to 68,221 claimants. Recently, numerous breakdowns and inconsistencies within the claims process have been brought to my attention. As a result of these issues and given the proximity to the beginning of the 2011 Legislation Session, I am directing the Economic Affairs Committee to conduct a review of the private compensation process. I would ask that you invite those Members who represent areas impacted by the spill to participate in your committee's investigation. In addition, I have asked Chairman Aubuchon, who oversaw the House workgroups this past summer, to make himself available to assist you in any manner that you deem appropriate.

Fostering an economic environment that leads to private sector job creation is our top priority over the next two years. At the state level, we must work to ensure that those Floridians who suffered losses as a result of the Deepwater Horizon Incident are made whole, and that obligation requires us to keep abreast of any problems within the current claims process.

Thank you for your time and attention to this important matter.

Sincerely,

Dean Cannon Speaker

cc: Representative Gary Aubuchon